

FISCAL NOTE

SB 223 - HB 450

March 22, 2007

SUMMARY OF BILL: Requires the Tennessee Student Assistance Corporation (TSAC) to administer a loan-scholarship program for students training to become K-12 mathematics or science teachers under specified conditions. Requires such program to have loan-forgiveness provisions for students who become teachers in Tennessee. Authorizes TSAC, in conjunction with the Board of Education, to promulgate rules and regulations. Authorizes TSAC to accept contributions from outside sources for funding.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$800,000 – FY07-08

\$1,000,000 – FY08-09 and thereafter

Assumptions:

- According to TSAC, similar loan forgiveness programs exist for students entering the teaching profession.
- According to TSAC, approximately 800 students receive awards each year from existing programs.
- Award amount is \$2,000 per year (award amount under the Tennessee Math and Science Teachers Loan Forgiveness Program).
- 50% (or 400 students) qualify for program proposed during first year.
- 100% of qualified applicants accept award.
- The recurring increase to state expenditures for FY07-08 is estimated to be \$800,000 (400 students X \$2,000 award = \$800,000).
- 100 additional qualified applicants during second year.
- Growth of program is offset by attrition after first year. As a result, the program matures with approximately 500 students in FY08-09.
- The increase to state expenditures is estimated to be \$1,000,000 for FY08-09 and each year thereafter (500 students X \$2,000 award = \$1,000,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director